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SUMMARY RECORD OF THE 22nd MEETING

Held at Headquarters, New York,
on Monday, 10 June 1991, at 3 p.m.

President:	Mr. PIRIZ-BALLON	(Uruguay)
later:	Mr. JASINSKI (Vice-President)	(Poland)

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The meeting was called to order at 3.05 p.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES (continued) (DP/1991/10 and Add.1-4, DP/1991/11-15, DP/1991/57, DP/1991/77)

1. Ms. MINESS (International Research and Training Institute for the Advancement of Women (INSTRAW)), said that the Institute was willing to join forces with UNDP to undertake the studies necessary to elaborate measures for changing the social status and economic dependency of women so as to enable them to protect themselves and their children from the effects of HIV infection. Because of women's increased vulnerability, the number of AIDS cases among women was rising faster than among men.

2. The issue of AIDS, in particular women and AIDS, was not just one of health, but also one of development. Accordingly, INSTRAW had designed a project for formulating and implementing national plans of action to prevent HIV/AIDS among women. In close cooperation with selected national organizations, INSTRAW would assist in preparing and organizing national workshops/encounters to develop strategies for national AIDS prevention. Two of the overall objectives of the project were to contribute to global efforts to prevent the further spread of HIV/AIDS to women, and to strengthen national machinery by coordinating the formulation and implementation of national action plans, including the effective mobilization of resources for such plans.

3. The project's secondary outputs would include country-specific research on the socio-economic factors involved in the issue of women and AIDS, and models of effective resource mobilization obtained from initial pilot testing workshops which could be replicated in other countries.

4. Mr. AMISSAH-ARTHUR (Ghana) said that Africa did not intend solely to depend on development assistance for its development. It was time that developed countries adequately remunerated developing countries for their products. African produce should also be given greater access to the markets of the industrialized countries.

5. More needed to be done to increase external financial flows which would accelerate the pace of economic growth in Africa. Policy reforms for overcoming economic stagnation needed support, and the implementation of difficult structural adjustment programmes required that adequate financial resources be mobilized. There was also a need to take more decisive action on debt servicing and the rising protectionism in international trade.

6. UNDP must maintain an appropriate balance between institution-building and development programmes. While democracy, especially at the grass-roots level, was a necessary condition for stable economic development, his country did not share the view that democracy should be tied to aid conditionality. The organic process of healthy democratic growth was endogenous and any attempt to force it towards standards imposed from the outside could only result in maiming it.

(Mr. Amissah-Arthur, Ghana)

7. With the start of fifth cycle programmes, many countries were being expected to execute larger programmes themselves. That would involve increased managerial, auditing and financial reporting responsibilities. UNDP would have to organize workshops and training programmes for its field personnel and for national personnel in order to forestall the danger of excluding Governments from participating in the execution of programmes and projects. UNDP should not be responsible for mobilizing managerial capability outside government sources, and setting up the management structure proposed by the Administrator would undermine Governments' role in effective project execution. Furthermore, UNDP's own role might not be any different from the role now being played by the specialized agencies, and the concept of national execution would thus be lost.

8. His delegation believed that UNIFEM should be maintained as a unit solely responsible for women's activities and should not be merged with other UNDP organs.

9. Dr. MERSON (World Health Organization) said that as of 1 June 1991, over 366,000 cases of AIDS had been reported to WHO from 162 countries and territories. Taking into account under-diagnosis, under-reporting and reporting delays, WHO estimated that the cumulative global total of AIDS cases was now more than 1.5 million. Furthermore, at least 8 to 10 million HIV infections might have occurred in adults world wide; 3 to 4 million of those infected were women, and about 1 million children might have been born infected with HIV.

10. While the rate of new HIV infections appeared to be slowing among certain populations in some industrialized countries, it was increasing markedly in developing countries, especially in sub-Saharan Africa. On the basis of those trends, 10 to 20 million new infections might be expected in adults during the 1990s, and for the year 2000 WHO's current projection was that there would be a cumulative total of 30 to 40 million HIV infections. That projection might turn out to be conservative if the dynamic spread of HIV infection remained unchecked, particularly in South-East Asia.

11. The efforts of the WHO Global Programme on AIDS had been focused on building national AIDS programmes. Unfortunately, just as those programmes were becoming more effective and able to absorb additional resources, the voluntary funding received by the Global Programme had levelled off, forcing it to reduce its approved 1991 programme budget from $101 million to $72 million. In the face of that epidemiological and financial situation, there was a growing global consensus on the need to fight complacency in the donor community, promote multisectoral action to deal with the health, social and economic consequences of the pandemic, improve global mobilization, targeting and utilization of technical and financial resources, and review the progress achieved by countries to date in the fight against AIDS, possibly by means of an international conference or ministerial summit.

(Dr. Merson, WHO)

12. Programmatically, six areas on which to focus in the coming decade had been defined. Those areas were: strengthening national programmes, generating a wider multisectoral response to AIDS prevention and control, strengthening the technical basis for action to alter behaviours and provide care, providing support for vaccine and clinical trials in the developing world, countering discrimination against HIV-infected persons, and fighting complacency and denial.

13. The most urgent priority, however, was to promote planning for the economic and social consequences of the pandemic. The theme of World AIDS Day on 1 December 1991 would be "AIDS: Sharing the Challenge". The proliferation of AIDS-related activities in an increasing number of sectors required that all United Nations agencies focus on coordination and cooperation to ensure harmony of approach and maximize efficient use of scarce resources. The Global AIDS Strategy would soon be updated to further define the relative roles of members of the United Nations system, especially in supporting national efforts to fight the pandemic.

14. Mr. KY (Observer for Viet Nam) said that the ongoing process of restructuring economic sectors, resources and priorities in Viet Nam had released tremendous participatory initiatives from all quarters of Vietnamese society. The current process of reform gave priority to management development, particularly to strengthening the national capacity for macroeconomic management, which was vital to the success of other adjustment programmes.

15. However, many difficulties lay ahead on Viet Nam's road to development. Living standards remained low, per capita GNP was still under $200 per annum, and the national economy had not been stabilized. Inflation was still high and there was an acute balance-of-payments problem. Population growth, though significantly reduced, was still 2.2 per cent.

16. Restructuring had itself given rise to a number of problems that required urgent solutions, such as the need for a comprehensive legal system to match the development of a market economy, lack of skills and experience in economic management and public administration, shortage of financial resources and poor and inadequate infrastructures. It was against that backdrop that the country's highly effective cooperation with UNDP, and with UNFPA, UNIFEM, UNCDF and other UNDP funds and programmes, had helped lay the foundations for accelerating Viet Nam's socio-economic development in the years to come.

17. Mr. GALAL (Observer for Egypt) said that his country was very pleased with its cooperation with UNDP, which was in keeping with its national goals and the priorities of the Arab regional programme and included a number of projects relating to women, trade, debt management and the environment. Nevertheless, there was room to strengthen that cooperation in future, particularly in view of the start of the new country programme in 1992. He noted the active role played by UNDP in preparation for the 1992 Conference on Environment and Development and hoped that further documentation would be

(Mr. Galal, Observer, Egypt)

issued on the Arab and African regions. Egypt also looked forward to the launching of a major Arab States regional project to strengthen the participation of non-governmental organizations in the region's development.

18. UNDP had played a very useful humanitarian role during the Gulf crisis and the close contact which it had maintained with the Egyptian Government was commendable. The greater UNDP role in assisting the Palestinian people should continue. That issue merited particular attention at the present crucial time.

19. Referring to the report of the Administrator on human development (DP/1991/11), he said that continued consultations on the specific concerns and priorities of developing countries were very important. More consideration should be given to that document as it related to data and methodology. An ongoing review was necessary to ensure conformity with the agreed criteria, priorities and specific needs of developing countries. The report might be brought formally to the attention of recipient countries so that they could express their views on it. Lastly, as a recipient country, Egypt reaffirmed its full support for UNDP and for its flexibility, universality and neutrality.

20. Mr. SHIN (Observer for the Republic of Korea) said that while an era of immense opportunity was now in sight, the problems of the developing countries remained. The role of UNDP in tackling those problems, both as a funding agency and as a central coordinator for development activities, could not be overemphasized. The Programme should promote human development in order to enable developing countries to become self-reliant. His Government welcomed the efforts being made by UNDP in that area and commended the report of the Administrator on human development (DP/1991/11). Such basic human rights as education, employment, health and shelter must be ensured in order to achieve true human development and UNDP activities should focus on those areas. His delegation placed great emphasis on capacity-building to promote the self-reliance of developing countries. National execution was the ultimate tool for developing countries to gain practical experience in that regard. Governing Council decision 1990/21 set out clear directives for national execution during the fifth programming cycle. Such execution should begin with a comprehensive discussion with individual Governments, in order to reach agreement on its pace and scale. There was a need for more active involvement of the specialized agencies in that area, particularly at the programme and project level.

21. With regard to the criteria for allocating country IPFs to net contributor countries, he felt that abrupt graduation to net contributor status would greatly discourage the developing countries concerned from participating in UNDP activities. The floor principle must be retained to ensure the universality of the Programme and prevent a drastic cut-off of country IPFs. Those countries which would graduate to net contributor status in the fifth programming cycle should receive no less than 60 per cent of their country IPFs for the fourth programming cycle. His Government was ready to negotiate an agreement with the Administrator on his proposal in document

(Mr. Shin, Observer, Republic of Korea)

DP/1991/24 to close field offices in those countries with programme activities of less than $10 million in the fifth programming cycle.

22. Although the Buenos Aires Plan of Action should continue to be the framework of the United Nations development system, a comprehensive review was necessary to refine TCDC in order to cope with the new situations facing developing countries in the 1990s. That review would contribute greatly to the formulation of an integrated strategy for TCDC activities in the fifth programming cycle. His Government participated actively in United Nations development activities and had always attached great importance to close cooperation with other developing countries. It had been implementing a series of economic and technical cooperation schemes in order to share its development expertise with them.

23. He welcomed the Administrator's efforts to ensure the continued growth of the Programme's financial resources through the measures taken under Governing Council decision 90/14. Greater public awareness of UNDP programmes would enhance support for their funding. Lastly, his delegation reiterated its full support for the Programme's activities.

24. Mr. AL-FAIHANI (Observer for Bahrain) said that UNDP must, if it desired world-wide support, be flexible in its policies and ensure that technical assistance was provided to all developing countries.

25. The net contributor issue had given rise to various problems between UNDP and certain recipient countries during the fourth programming cycle because of inconsistencies in approaches thereto. It was to be hoped that the Programme would, during the fifth cycle, take due account of the size, population, geographical position and political situation of island developing countries, as well as of the vulnerability of their economic infrastructure. His delegation hoped that the report contained in document DP/1991/24 would contribute to a final solution of the problems posed by net contributor status. However, the options proposed did not reflect recent international developments, including the Gulf crisis and its serious economic repercussions for the nations of the region, nor take full account of the situation of island developing countries. The proposals concerning the costs of field offices in net contributor countries were impractical both because they did not take account of bilateral agreements and because the proposed threshold for programme activities was extremely high. He questioned why the Programme's attempts to reduce expenditures did not cover all offices where programme activities amounted to less than $10 million, rather than only those in net contributor countries.

26. The net contributor issue must be dealt with separately from the costs of field offices for the following reasons: field offices had been established on the basis of bilateral agreements with UNDP and any change in those agreements must be made by a further bilateral agreement, with an equivalent agreement applying to all recipient countries; it was unjust to impose certain criteria only on net contributor countries in a manner which, from the legal

(Mr. Al-Faihani, Observer, Bahrain)

standpoint, created two categories of countries and two types of agreements; since the level of programme activities and the funds required for offices in net contributor countries was very low, donor countries should not be asked to meet those costs; to close offices in some countries as opposed to others would mean that assistance was no longer universal and would represent a retreat from the Programme's commitment to developing countries; his country's agreement with UNDP specified that funding of the Programme's office would be determined by agreement between the two parties; UNDP was a voluntary organization serving the human development objectives of the developing world; and, as a newly independent State, his country continued to require assistance from UNDP. Finally, those who argued that the Programme's resources should be directed towards the poorest countries were using per capita GNP as their basic criterion for determining whether a country was rich or poor. That criterion was not always appropriate, given that the per capita GNP of some developing countries, particularly islands, exceeded the per capita GNP of certain industrial nations.

27. Mr. MOORE (United States of America) stressed the need for improved coherence, impact and sustainability of United Nations development efforts, particularly in view of the recent changes in the international political environment. Events in Eastern Europe, Asia, Africa and Latin America had made it possible to forgo the artificial distinctions among different aspects of the development process. Participatory development was essential in order to achieve human development goals. The report of the Administrator on human development (DP/1991/11) had contributed greatly to a better understanding of the human dimensions involved. In 1990, his delegation had encouraged UNDP to explore mechanisms for measuring human freedom and was especially pleased with the effort made by the Programme. The refinements made in the human development index were valuable and UNDP should continue to improve ways of measuring education, literacy and human freedom.

28. UNDP should work to achieve an international consensus on measuring human freedom and should continue to improve the database, refine the weighting of the factors included in the human freedom index and determine how to reflect the two indices in a composite ranking. His delegation urged the Programme to make the human development index and other social factors a framework to be used by nations in preparing their own human development strategies.

29. UNDP cooperation with non-governmental and grass-roots organizations was an important component of the total development effort. He encouraged increased cooperation among Governments, non-governmental organizations and the Programme and urged UNDP to involve the United Nations Volunteers (UNV) in planning the use of special programme resources and consider ways of using the UNV domestic development service in grass-roots activities. His delegation was pleased to note that the Africa 2000 Network was now fully operational in eight countries and that UNDP had plans to extend the programme to other geographical areas.

(Mr. Moore, United States)

30. The United States strongly supported the Administrator's priorities and criteria concerning the Management Development Programme. The major part of its funds should be used as catalytic contributions to broad programmes where there was a high-level political commitment to reform and where conditions would sustain change. UNDP should continue to seek other sources of funding for project activities and increase the focus on such areas as decentralization and civil service reform. Although the programme approach seemed especially appropriate for that type of assistance, clear goals were necessary in order to identify achievements. His delegation would welcome specific information on the results of UNDP assistance provided thus far in that area.

31. Progress in the area of women and development had been slow in UNDP and elsewhere in the United Nations system. He noted the Programme's plans to revise its training in gender sensitivity and called for expanded coordination and cooperation with other organizations providing similar training. The responsibility for ensuring that all the Programme's work was gender sensitive should rest with the heads of operational and policy units and, through them, with the field offices. Women-in-development concerns should be integrated into all programmes. The Division for Women in Development should provide a service function to policy and operational units. The designation of subregional advisers for women in development, within existing resources, could be a helpful step. Top-level management should strengthen the means for holding field office and headquarters operational and policy units accountable for integrating gender concerns into UNDP programmes.

32. Like other parts of the United Nations system, UNDP had been evolving an approach to the AIDS pandemic which was consistent with its mandate. The focus of the Programme's assistance should be the human and economic development implications of the pandemic. His delegation endorsed the focus identified by UNDP and recommended that the Programme should continue to coordinate its efforts with the WHO Global Programme on AIDS and with other multilateral and bilateral donors and non-governmental organizations involved in AIDS initiatives. UNDP should hold consultations with bilateral and multilateral agencies which projected the path of HIV infection and document and coordinate their activities. The issue of HIV/AIDS prevention, and care and support for women, was of great importance and UNDP should step up its efforts and information-sharing in that area.

33. His delegation welcomed the priority given by the Administrator to activities for environmental conservation and national resources management. The United States was currently studying a Joint Inspection Unit report on the environmental activities of UNDP and a number of other United Nations agencies. It might be useful to consider the findings of that report in relation to the Programme's proposals for activities to be financed from special programme resources.

(Mr. Moore, United States)

34. The annual rate of growth of total voluntary contributions of 8 per cent assumed in Governing Council decision 90/34 might be optimistic. Although the appropriation process was not yet complete, his Government hoped to increase its contribution to UNDP in 1991. Reaching and sustaining the 8 per cent annual rate of increase depended on the Programme's ability to demonstrate its effectiveness in addressing critical needs. His delegation expected that as country programmes came up for review in the fifth programming cycle, the review processes put in place during the fourth cycle would be applied even more rigorously, and that the dialogue with recipient Governments would be strengthened.

35. Mr. Jasinski (Poland), Vice-President, took the Chair.

36. Mr. GIOVANNINI (Switzerland) said that the Administrator's report was very encouraging. It showed that extreme poverty and deprivation were not necessary evils and that even countries with very limited physical or economic resources could achieve very positive results through human development. The report was a challenge to all countries, Switzerland included. It had been well received in many developing countries and the effects of UNDP's efforts at dialogue had begun to show up in several country programmes. His delegation encouraged the Administrator to pursue those efforts, but believed that the concept of the measurement of human freedom should be more clearly defined and, perhaps, more closely based on universally accepted values such as those enshrined in the Universal Declaration of Human Rights.

37. His delegation also welcomed the Council's decision on the fifth programming cycle and the development of a funding strategy. It was essential for UNDP to better define its role and to concentrate its activities in fields where it had real comparative advantages and in those countries most in need of donated technical cooperation. In the past, UNDP programmes had too often been small scale and unfocused and had thus had a very limited development impact. Some corrective action had been taken, but more was needed. The definition of priority issues for the fifth cycle did not mean that all IPFs must cover every issue.

38. With respect to the overall level of resources, Switzerland intended to maintain its traditional support for UNDP, but felt that an 8 per cent annual growth target could not be met unless the burden of financing was more widely shared. It hoped that the number of net contributors, and the amount of their contributions, would steadily increase.

39. Switzerland was helping to support the reforms taking place in Eastern Europe, but made a clear distinction between such support and its traditional solidarity with developing countries. It hoped that UNDP support for Eastern Europe would be additional to and separate from its assistance to developing countries.

(Mr. Giovannini, Switzerland)

40. With respect to agency support costs, his delegation appreciated the efforts made on all sides to arrive at an acceptable solution, but reminded the Council that one important goal was a substantial improvement in the quality of the advice and technical support provided by the specialized agencies, and that UNDP must have the financial means to make such an improvement. It was also vital that the new system should be transparent, understandable, easy to implement and therefore inexpensive to manage.

41. On the question of national execution, his delegation still considered that the transition to national execution should be gradual rather than sudden. The main consideration should be the usefulness of the project to be funded; the manner of its execution must be agreed upon between the country and the UNDP resident representative.

42. Mr. GIANELLI (Uruguay) said that 1990 had been a key year for United Nations economic and technical cooperation activities. The General Assembly had adopted a number of resolutions that were sure to set the agenda for the 1990s. UNDP must adjust its activities to that agenda.

43. The Human Development Report 1991 represented a good attempt at combining the economic and social aspects of development, but fell short of balancing the two. In his annual report (DP/1991/10), the Administrator said that "the concept of measuring progress in terms of human development rather than by the established criterion of per capita GNP" had been well received, but that was not true: it was the additional use of human development indicators that had been well received, and that did not mean that they would replace traditional development indicators. However, his delegation's main concern was with the human development index the report proposed, which did not reflect either the scale, the nature or the seriousness of the development problems of the majority of developing countries. It was misleading to assign the Latin American and Caribbean countries a human development index similar to that of the developed countries, and the result might be a loss of funding to countries that had made large social investments in the past and were now experiencing great difficulties. In general, the report did not reflect adequately the seriousness of the economic and social crisis that Latin America had been experiencing since the early 1980s.

44. His delegation concurred fully with other delegations which had said that a human freedom index was out of place in a report intended to clarify aspects related only to countries' economic and social development. The Council should adopt a draft decision establishing more precise guidelines for studying that question in the future, and the report under discussion should not form the basis for any ranking of countries for funding purposes.

45. The Council would recall that Uruguay was among the countries that had invoked Article 50 of the United Nations Charter in relation to the Gulf crisis, and that the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait had recognized the urgent need for assistance to be given to Uruguay so that it could deal with

(Mr. Gianelli, Uruguay)

the special economic problems arising from its having broken off its economic relations with Iraq and occupied Kuwait. It had also called on the agencies of the United Nations system to re-examine their programmes of assistance to Uruguay with a view to alleviating the special economic problems arising from the application of sanctions against Iraq.

46. His delegation considered it essential that direct execution by Governments be reinforced. National execution maximized scarce technical cooperation resources by reducing the support costs paid to other executing agencies. However, direct execution must remain at the discretion of Governments and must not be imposed by UNDP.

47. Uruguay also supported decentralization and the strengthening of field offices through a broader mandate for resident representatives. A resident representative should not, however, disregard the sovereignty of recipient Governments and impose his own development objectives.

48. Lastly, his delegation wished to emphasize the importance of UNDP's Management Development Programme for relatively developed countries such as Uruguay. Modernization of the State was vital to the development of such countries and could be achieved only by enhancing the efficiency of the economic management of the State apparatus and adjusting its size and scope. Uruguay's proposed solutions were based on the following general principles: redefinition of the role of the State in the economy; promotion of efficient management of State-run enterprises, where possible in a competitive environment; more efficient delivery of goods and services essential to national development; greater public accountability of State-run enterprises; promotion of the privatization of activities not intrinsically the preserve of the State; and the elimination of government funding of State-run enterprises. Uruguay hoped that it would continue to enjoy UNDP's cooperation in those areas.

49. In conclusion, his delegation believed that UNDP must transform itself into a more efficient and functional entity if it was to continue to fulfil the economic and social development requirements of its member countries.

50. Mr. Piriz-Ballon (Uruguay) resumed the Chair.

51. Mr. KURTH (Germany) noted that a year earlier, members of the Council had been relatively optimistic in assessing global economic and political developments. Unfortunately, recent events in the Middle East had made them realize how fragile their hopes had been and how fragile many political structures and relationships still were. More imagination, patience, courage and perseverance were required to stabilize the still promising international climate.

52. The United Nations in particular had a very crucial role to play. The political environment had never been more encouraging for the United Nations family to stabilize peace and security and to promote social and economic

(Mr. Kurth, Germany)

development. There had been quite a few attempts in the past to improve the efficiency of the United Nations system. There were currently some very interesting reform proposals before the Council, such as the Stockholm initiative, which sought to amalgamate some major initiatives of the past.

53. UNDP had always played an important role in the operational field, but as a contributor to the broad international dialogue on possible new strategic approaches it had not, in his delegation's view, been among the leading agencies for the past 10 years. His delegation therefore welcomed the approach taken in the Human Development Report and its frank analysis of circumstances usually treated as taboo in international forums. The conclusions drawn from the analysis were also attractive, although there was certainly room for further refinement, particularly with respect to the human freedom index. The basic approach of introducing new parameters in order to better grasp and measure the main elements that made up decent human living conditions was, however, an impressive contribution to forging more effective development strategies.

54. Germany hoped that the new cycle of country programmes would, at least in part, reflect the endeavours of recipient countries to introduce important reforms and to allow more leeway for participatory development and private initiative. A growing consensus seemed to be emerging that democratic and market-oriented economic structures, combined with mechanisms for coping successfully with social and ecological concerns, did offer a more favourable environment for social and economic development in all countries. UNDP should foster such an environment wherever feasible. Cooperation among developing countries could also play an increasingly important role.

55. His delegation trusted that the new procedures for country programmes would prove effective. While various decisions remained to be taken, he believed that compromise solutions should be found so that programmes of the greatest benefit could be delivered to recipient countries.

56. The most recent figures on world population once again demonstrated the overwhelming challenges of the vicious circle of uninhibited population growth, increased poverty and environmental degradation. A reasonable balance must be established between available resources and population growth. His delegation wished to encourage UNFPA in its endeavours, while stressing that a greater effort was required from bilateral donors. Germany had developed a new population policy concept providing for increased participation by developing countries themselves and aimed at poverty alleviation and education in order to promote the role of women in development.

57. With regard to funding, united Germany faced serious budgetary constraints owing to the cost of integrating the eastern region into the country's social market economy. In addition, there were further challenges in Eastern Europe to which Germany would need to respond. Those burdens would not be shouldered at the expense of Germany's aid budget which, in fact, had

(Mr. Kurth, Germany)

recently increased in real terms. There was, however, a problem in terms of contributions to UNDP, since his Government had little leeway to increase its multilateral contributions, which amounted to almost one third of its total aid budget. Germany had sizeable bilateral commitments in addition to its multilateral commitments, and its contribution to UNDP should be seen in the light of those commitments. There should, however, be no doubt as to his Government's attitude towards development cooperation issues. Despite its domestic problems, Germany would remain a stable and reliable partner in international development cooperation, and with UNDP and the United Nations system in particular.

58. Mr. ORDOÑEZ (Philippines) said that his Government welcomed the evolution of technical assistance into a system that was increasingly responsive to the priorities of recipient countries. Midway through its fourth country programme, the Philippines had experienced major institutional changes, but flexibility in managing the country programme had enabled UNDP and the Government to respond to the new priorities which had emerged as a result. Some of the projects adopted at that time had been completed in 1990, and his Government hoped that they would stimulate modest industrialization in rural areas. His delegation was particularly grateful for the timely response of UNDP and other United Nations agencies in providing relief following the earthquake in July 1990. Plans for long-term measures to reduce vulnerability to earthquakes and other natural disasters were being finalized. With regard to other ongoing projects, increased emphasis had been placed on national execution of projects and the use of local expertise. Appropriate support mechanisms should be established to promote a national execution capability, in connection with which it was imperative that the Governing Council reach a consensus at the current session on successor arrangements for agency support costs.

59. The increased emphasis by UNDP on international migration was welcome, as was the focus on human development. He noted the introduction of the human development index, which combined national income with adult literacy and life expectancy indicators to reflect how economic growth translated into human well-being. The Human Development Report 1991, in a further refinement, had introduced the concept of a human freedom index. His Government shared the view that the promotion of development did not require the sacrifice of freedom. Nevertheless, he regretted the arbitrary indicators used by UNDP to construct the human freedom index. Such an index must be based on universally accepted norms and standards, such as those contained in the Universal Declaration of Human Rights.

60. Lastly, his delegation endorsed the Administrator's view that the informal sector and entrepreneurship should be encouraged and that women's and environmental concerns should be included in the mainstream of the development process.

61. Mr. AMAZIANE (Observer for Morocco) said that the conflict in the Gulf had shaken his Government's hopes for a more peaceful world following the relaxation of East-West tensions. Too many sources of instability remained for anyone to assert that disarmament would release resources for development; on the contrary, the future remained uncertain. The revolution in communications had increased interdependence and facilitated the transmission of positive and negative influences throughout the world. It had also led to the universal spread of aspirations in a fundamentally inequitable world which was unable to satisfy them.

62. It should be noted that the cause of democracy and freedom was not universally defended by the developed countries. Internal democracy was necessary, but democracy in international political and economic relations was equally necessary; without the latter, there would never be an end to underdevelopment.

63. The Administrator had noted that the supply of capital would each year fall some $200 billion short of demand in coming years, that interest rates would increase and that preference would be given to borrowers deemed most capable of using capital productively. That was bound to mean that financial resources would be allocated at the expense of the developing countries, and that their problems would be aggravated rather than alleviated, simply because they would be in competition with certain developed countries which absorbed a substantial proportion of global savings. What was worse was that developing countries had become net exporters of capital to the North, so that money would flow to the richer countries. In the light of that situation, his delegation felt that the only way forward for developing countries would be to promote South-South cooperation.

64. The Human Development Report 1991 made an important contribution to the consideration of development-related issues. However, it placed full responsibility on developing countries for the failure of their development policies during the 1980s, for four reasons: excessive arms spending, poor management of public resources, unproductive and extravagant investment, and capital flight. The report minimized the responsibility of the developed countries for the plight of developing countries. Specifically, it failed to mention that during the cold war, East and West alike had encouraged developing countries to arm themselves against blocs to which they did not belong. The arms trade had been of both strategic and financial benefit to the North. To suggest now that the developing countries alone had been responsible for it was to ignore history.

65. Furthermore, those who criticized the developing countries for their irrational economic policies overlooked the fact that such policies had frequently been adopted on the advice of institutions and experts in the developed countries. In addition, protectionism by the North against exports from developing countries, deteriorating terms of trade, increases in international interest rates and the problems of capital flight and the brain drain led to the inevitable conclusion that some of the responsibility for

(Mr. Amaziane, Observer, Morocco)

underdevelopment in the South lay with the countries of the North. His delegation also questioned whether the production and consumption patterns of the North, which were ecologically unsustainable and economically non-transferable, would ever permit an end to underdevelopment in the South.

66. The Human Development Report 1991 included a human freedom index, which ranked countries in three categories, high, medium and low freedom, on the basis of 40 indicators. Despite the methodological problems acknowledged in the report, the authors had prepared a hierarchical table of 88 countries, including Morocco. The inclusion of homosexual practices among consulting adults, which under Islam were an unnatural act and an offence against God, in the list of individual rights was clear evidence that Western values alone had been used in formulating the index. He hoped that, with the end of the East-West conflict, the world would not become culturally one-dimensional and that there would be an end to elitist attitudes. He appealed for true democracy in international relations. It would also be noted that, in formulating the human freedom index, UNDP, whose mandate related to technical cooperation issues, had crossed the boundary into the political arena.

The meeting rose at 5.45 p.m.